
Virginia Motor Vehicle Rental Tax Questions and Answers

Guidelines for Rentors



Commonwealth of Virginia
Department of Motor Vehicles

July 1997



Preface

This document clarifies and supplements the pamphlet entitled "Virginia Motor Vehicle Rental Tax Rules & Regulations," reissued July 1, 1997.

These guidelines are designed to inform renters of motor vehicles about the obligations placed on them by the Code of Virginia (§§ 58.1-2400 - 58.1-2426, Title 46.2 and related statutes). These guidelines are not intended to restate the statutes but to clarify renters' responsibilities. Copies of the statutes, regulations, and these guidelines are available upon request.

Please call us at (804) 367-6281 or send any questions to:

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Motor Carrier Services
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Introduction

Persons who rent motor vehicles to others for a period of less than twelve months are required to obtain a Certificate of Registration for each rental business location operated in the Commonwealth. Rentors are required to maintain records of rental transactions, collect rental tax, and file monthly tax returns with DMV.

The rental tax is comprised of a 4% state rental tax which applies to the rental of all motor vehicles with a gross vehicle weight rating or gross combination weight rating of 26,000 pounds or less, and an additional 4% tax which applies to the rental of "daily rental vehicles." The additional tax is earmarked for distribution to the city, town, or county wherein the rental motor vehicle was delivered to the rental customer. Counties, cities, and towns are prohibited from imposing any license tax, license fee, or personal property tax upon any daily rental vehicle that is subject to this 4% additional tax.

Vehicles titled as "rental" are exempt from the 3% Motor Vehicle Sales and Use Tax and some local taxes. Rental motor vehicles are to be used exclusively for rental purposes and must produce rental income. Certain permissible temporary use is discussed and explained in Question 3 of these guidelines and in the regulations reissued on July 1, 1997, which are still in effect.

Whenever a rental motor vehicle ceases to be used for rental purposes and ownership is retained, it must be re-registered; the vehicle will then be subject to the 3% Motor Vehicle Sales and Use Tax on its current value. Motor vehicles used for non-revenue producing purposes are not eligible for registration as rental motor vehicles.

The Virginia Department of Motor Vehicles appreciates the cooperation of all rentors in their efforts to comply with these guidelines.

Rental Tax Terms and Phrases

"Certificate of Registration" means the authority given by the Virginia Department of Motor Vehicles to permit a person to engage in the motor vehicle rental business, to title and register rental motor vehicles as exempt from Motor Vehicle Sales and Use Tax, and to collect rental tax in the Commonwealth. The Certificate of Registration contains the rental business name, the business location, and the assigned seven-digit renter number, and must be conspicuously displayed at all times at each business location.

"Daily rental vehicle" means a motor vehicle (other than a motorcycle or a mobile home as defined in §46.2-100 of the Code of Virginia) used for the transportation of persons or property whether on its own structure or by drawing another vehicle or vehicles, and rented for a period of less than 12 months.

"Gross proceeds" means the charges made or voluntary contributions received from, or paid on behalf of, any person for the rental of a motor vehicle where the rental or lease agreement is for a period of less than twelve months.

The term includes: (i) charges for any services that are part of the rental agreement or any separate charges relating to the agreement; and, (ii) charges for collision coverage or waiver of property damage, public liability, other forms of potential liability for the customer.

The term also includes any reimbursement received from any warranty, policy claim, loaner program, or similar plan; and any income or credit received directly from the temporary use of a rental vehicle.

The term does not include: (i) finance charges, service charges or interest from credit given on a rental agreement; (ii) charges for motor fuels which are subject to other taxes; (iii) any optional insurance policy underwritten by a company sanctioned by the State Corporation Commission; (iv) separately stated charges for the rental of additional tangible personal property other than the rental motor vehicle itself; or, (v) reimbursement for actual damage sustained during the use of a rental motor vehicle.

"Mobile Home" means a structure, transportable in one or more sections, which in the traveling mode is eight body feet or more in width or forty body feet or more in length, or, when erected on site, is 320 or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems contained therein.

"Mobile Office" means an industrialized building unit not subject to federal regulation, which may be constructed on a chassis for the purpose of towing to the point of use and designed to be used with or without a permanent foundation, for commercial use and not for residential use; or two or more such units separately towable, but designed to be joined together at the point of use to form a single commercial structure, and which may be designed for removal to, and installation or erection on other sites.

"Motor vehicle" means every vehicle, except for mobile offices, which is self-propelled or designed for self-propulsion and every vehicle drawn by or designed to be drawn by a motor vehicle, including mobile homes, and every device in, upon and by which any person or property is, or can be, transported or drawn upon a highway, but excepting devices moved by human or animal power, devices used exclusively upon stationary rails or tracks and vehicles, other than mobile homes, used in this Commonwealth but not required to be licensed by the Commonwealth.

"Out-of-state rentor" means a rentor whose principal place of business is outside Virginia but who delivers or causes the delivery of a motor vehicle for rental in the Commonwealth.

"Rental" or "renting" means the renting, for consideration, without the transfer of ownership, of a motor vehicle for a period of less than twelve (12) months, whether or not the motor vehicle is required to be licensed in Virginia. A motor vehicle rented for a period of twelve (12) months or longer is not a "rental" vehicle, but is a "leased" vehicle, and therefore not subject to the provisions of these Guidelines.

"Rental in the Commonwealth" means any rental of a motor vehicle which is delivered to a person in Virginia. This term applies regardless of where the rental agreement is written, where the rental terminates, or where the vehicle is surrendered.

"Rental Tax(es)" means all rental taxes which are computed as 4% of the total gross proceeds from the rental of motor vehicles with a gross vehicle weight rating or gross combination weight rating of 26,000 pounds or less, plus an additional 4% of the total gross proceeds from the rental of all daily rental vehicles in Virginia.

"Rental Motor Vehicle" means a motor vehicle, as defined herein, used exclusively for rental or renting purposes.

"Rentor" means any person engaged in the business of renting motor vehicles in the Commonwealth, for consideration, whether or not such motor vehicles are required to be licensed in the Commonwealth of Virginia. A rentor must obtain a Certificate of Registration (rentor number).

"Rentor Number" means the seven-digit number assigned by the Department of Motor Vehicles to each business location. This number is contained on the Certificate of Registration issued to the rentor when licensed in the Commonwealth to collect rental tax.

"Utility Mileage" means the miles necessary for: i) delivery of the vehicle to the renter; ii) movement of the vehicle between the rentor's business locations; iii) recovery or return of the rental motor vehicle; or, iv) service and maintenance of the rental motor vehicle. This mileage should be reasonable and documented for audit purposes.

General Questions and Answers

1. **Question:** Is a rental motor vehicle exempt from the 3% Motor Vehicle Sales and Use Tax (commonly referred to as the "Titling Tax")?

Answer: Yes. A rental motor vehicle is exempt from the 3% Motor Vehicle Sales and Use Tax which is normally levied on a motor vehicle at the time it is titled in Virginia. However, in order to qualify for this exemption, the rental motor vehicle must be used exclusively for rental in an established business or in part of an established business. Such businesses must have a valid Certificate of Registration and the rental motor vehicle must be used exclusively for rental.

When a motor vehicle is no longer used as a rental motor vehicle, and ownership is retained, it must be re-registered as a non-rental motor vehicle. The 3% Motor Vehicle Sales and Use Tax will be assessed and collected at that time on the current value of the vehicle. No credit for any rental taxes paid with respect to the vehicle is allowed against the 3% Motor Vehicle Sales and Use Tax.

2. **Question:** Are rental motor vehicles to be used only for rental purposes?

Answer: Yes. A motor vehicle titled and registered as a rental motor vehicle must be used exclusively as a rental motor vehicle and generate rental income.

3. **Question:** Is it permissible to use a rental motor vehicle **temporarily** for other purposes?

Answer: Yes. A rental motor vehicle may be used **temporarily**: i) as a substitute for a leased motor vehicle; ii) as a demonstrator; iii) for customer service, promotion, or employee transportation; iv) while being serviced; or, v) while being transferred from one location to another; however, such temporary use shall be limited and should be reasonably documented.

If gross proceeds are generated through temporary use, the vehicle is considered to have been rented and rental tax is due.

4. **Question:** What about motor vehicles which are not used exclusively for rental?
- Answer:** Motor vehicles which are not used exclusively for rental purposes are *not* exempt from the 3% Motor Vehicle Sales and Use Tax and cannot be registered as rental motor vehicles.
5. **Question:** What types of motor vehicles are exempt from the rental tax?
- Answer:** All daily rental vehicles are subject to an additional 4% tax on total rental gross proceeds. Rental motor vehicles with a gross vehicle weight rating or gross combination weight rating of 26,001 pounds or more are exempt from the 4% state rental tax.
6. **Question:** What types of transactions are exempt from the rental tax?
- Answer:** Transactions exempted from the rental tax are:
- (a) rentals to federal, state and local governments, and their agencies, or to any volunteer fire department or rescue squad not operated for a profit;
 - (b) rentals to accredited consular or diplomatic officers of foreign governments (whether for official or personal use by such officers), provided such officers are nationals of the state by which they are appointed, and are not citizens of the United States;
 - (c) rentals to employees of any federal or Virginia governmental agency while traveling under official orders, (orders, or similar documentation, must be presented to the rentor);
 - (d) rentals to another licensed rentor for the purpose of re-rental;
 - (e) rentals to private nonprofit institutions of learning, for the sole purpose of use in driver education instruction which is a part of such institution's curriculum for full-time students;
 - (f) utility mileage; and,
 - (g) all other exemptions listed in Va Code §58.1-2403.

7. **Question:** What types of transactions are not exempt from the rental tax?

Answer: The following transactions are **not exempted** from the rental tax.
(Please note this list is provided as a guide and is not all-inclusive.)

(a) rentals to churches, private nonprofit schools and colleges, and other nonprofit or charitable organizations;

(b) rentals to government employees for their private use and not for official business;

(c) rentals to other than exempt entities in which the rental motor vehicle delivery is made on federal property, if the property is within the Commonwealth;

(d) rentals by out-of-state rentors where delivery of the motor vehicle is made in Virginia; and

(e) rentals in which the motor vehicle delivered is not required to be registered in Virginia, if the delivery of the motor vehicle is made in Virginia.

8. **Question:** How are rental taxes different from the 4½% Virginia Retail Sales and Use Tax?

Answer: The retail sale, lease, rental or use of most personal property in Virginia is subject to the 4½% Retail Sales and Use Tax. This tax is not applicable to motor vehicles, trailers, semi-trailers, mobile homes, and travel trailers [Va Code §58.1-608.A.1(b)], nor does the tax normally apply to motor vehicle rental transactions in the Commonwealth. However, the Virginia Retail Sales and Use Tax may apply to the rental of equipment or supplies which are rented in connection with a motor vehicle rental. (For further information, rentors are advised to consult the "Virginia Retail Sales and Use Tax Regulations," published by the Virginia Department of Taxation.)

Applying for a Certificate of Registration

9. **Question:** Who is required to obtain a Certificate of Registration?

Answer: Any person who is engaged in the activity of renting motor vehicles in the Commonwealth, for consideration, and with the intent to make a profit, is required to obtain a Certificate of Registration. All rentors, including out-of state rentors, shall obtain a Certificate for each place of business operated in Virginia.

Any person (and each officer of a corporation) who engages in the rental business in the Commonwealth without obtaining a Certificate of Registration, or engages in the rental of motor vehicles after a Certificate of Registration has been suspended or revoked, shall be guilty of a Class 1 misdemeanor. Each day that such person or officer conducts business without a valid Certificate of Registration shall constitute a separate and distinct offense.

10. **Question:** How do I obtain a Certificate of Registration?

Answer: An "Application for Certificate of Registration to Collect the Virginia Motor Vehicle Rental Tax" can be obtained by writing to:

Commissioner, Department of Motor Vehicles
Motor Carrier Services
Post Office Box 27422
Richmond, Va. 23261-7422;

by calling (804) 367-6281, 367-6805, 367-0932;

by faxing a request for application to (804) 367-0273, (804) 367-0233;
or,

an application may be obtained at any local DMV Customer Service Center.

There is no fee associated with the application.

11. **Question:** How long will it take to receive the Certificate of Registration?

Answer: Upon receipt and approval of the application, a rentor number will be assigned for each specific rental business location and a temporary Certificate(s) will be issued. The temporary Certificate serves as the rentor's authorization to engage in the rental business until receipt of the official Certificate of Registration.

The Certificate of Registration shall be conspicuously displayed at all times at the business location indicated on the Certificate. Neither the Certificate of Registration nor the rentor number is assignable; they are valid only for the rentor and the place of business designated on the Certificate.

12. **Question:** Do I need to file a surety bond when I apply for a rentor number?

Answer: No. However, a surety bond may be required if payment of the rental taxes are not received in a timely manner. (See Question 28 for more information.)

13. **Question:** What kinds of changes in my business do I need to report to DMV?

Answer: All changes in business ownership or business structure must be reported, in writing, to DMV within 30 days of the change.

Changes in business location must be reported, in writing, to DMV at least 30 days prior to the relocation.

Changes in business location, business name, and partners require the issuance of a new Certificate of Registration but the rentor number can remain the same.

Changes in ownership control or business structure may require the issuance of a new Certificate of Registration and a new rentor number.

There is no fee associated with the reissuance of a Certificate of Registration in the circumstances noted above.

14. **Question:** What do I need to do if I sell my rental business?

Answer: Any rentor who sells or terminates a rental business should report to the Commissioner, in writing, their intention 30 days prior to the transaction. The rentor must take the following steps to close out the Certificate of Registration:

(a) file a final rental tax return, and pay any taxes due, within 15 days of selling or terminating the business;

(b) file, with the final return, a letter to the Commissioner explaining the conditions of the sale or termination of the business and the names and addresses of any successors to the business; and,

(c) surrender the Certificate of Registration and all rental license plates to the Commissioner with the final return.

15. **Question:** What do I need to do if I am purchasing a rental business?

Answer: If purchasing a rental business, the purchaser must apply for a new Certificate of Registration. The purchaser may be personally liable for the payment of the taxes, penalties and interest due from the operation of the business by the former owner.

16. **Question:** Under what conditions/circumstances can the Certificate of Registration be suspended, revoked, or cancelled?

Answer: Whenever any person fails to comply with any provision of the "Motor Vehicle Sales and Use Tax Act," the Commissioner shall give such person ten days' notification of the intent to suspend or revoke the Certificate of Registration. This notice will specify the time and place of a hearing, at which time such person may show cause why the Certificate of Registration should not be revoked or suspended. The notice shall be effective if personally served on the rentor or if served by certified mail at the last known address of the rentor.

A rentor whose Certificate of Registration has been suspended or revoked shall pay the Commissioner a fee of \$10.00 for the renewal or reissuance of such Certificate. The Certificate shall not be renewed or reissued until the expiration of the suspension or revocation period, and until the rentor has satisfied all other requirements for the issuance of a Certificate of Registration.

The Commissioner shall cancel any Certificate of Registration (rentor number) without a hearing for:

(a) failure to make a timely motor vehicle rental tax return, provided a reminder of such failure has been mailed to the rentor ten days prior to cancellation;

(b) failure to remit with any return the taxes payable as stated on the return;

(c) failure to satisfy an assessment by the Commissioner or to institute an appeal of such assessment to the Circuit Court of the City of Richmond within 15 days; or,

(d) failure to comply with any bond requirements resulting from untimely filing of returns.

Titling and Registration of Rental Motor Vehicles

17. **Question:** Who can title and register a vehicle as a rental motor vehicle?

Answer: A rentor who holds a valid Certificate of Registration is eligible to title and register rental motor vehicles. Rentors will be asked to supply the rentor number to DMV Customer Service Center personnel at the time of application for title and registration.

When a vehicle is titled and registered as a rental motor vehicle, it must be used exclusively for rental purposes.

Rental license plates are valid only for the motor vehicle to which they are registered. Whenever the rental motor vehicle is sold or is no longer being used exclusively as a rental motor vehicle, the rental license plates must be returned to DMV or re-registered to another rental motor vehicle.

18. **Question:** What if I wish to transfer a currently-owned vehicle to a rental motor vehicle?

Answer: If a licensed rentor desires to transfer a motor vehicle to rental status, the applicable fee will be charged for the transfer of the registration, plus any difference in fees between the existing registration and the rental registration.

19. **Question:** If a vehicle is transferred to rental status, can a renter obtain a refund of the Virginia Motor Vehicle Sales and Use Tax?

Answer: No. Furthermore, no credit is allowed for similar taxes imposed by any other taxing jurisdiction in respect to the vehicle.

20. **Question:** What if I have a rental motor vehicle which is no longer to be used as a rental motor vehicle?

Answer: If the rental motor vehicle is sold, the rental license plates must be returned to DMV for surrender, or upon application to DMV, the rental license plates can be transferred to another rental motor vehicle.

If ownership of the vehicle is retained, the vehicle must be re-registered. The applicable fee will be charged for the transfer of the registration and the issuance of regular license plates. The rental license plates must be surrendered to DMV, or transferred to another rental motor vehicle at that time. At the time the motor vehicle registration is transferred from rental status, the 3% Motor Vehicle Sales and Use Tax will be collected on the current value of the motor vehicle, unless evidence is presented that such tax was previously paid.

No credit against the Motor Vehicle Sales and Use Tax will be allowed for rental taxes previously paid on the gross proceeds from the rental of the vehicle.

Filing Returns for Rental Taxes

21. **Question:** How are rental taxes computed?

Answer: Rental taxes are computed based on the total gross proceeds from the rental of motor vehicles in Virginia. The state rental tax is computed by multiplying the total gross proceeds from the rental of all motor vehicles with a gross vehicle weight rating or gross combination weight rating of 26,000 pounds or less by the 4% state rental tax. The 4% additional tax is calculated by multiplying the gross proceeds from the rental of all daily rental vehicles by an additional 4%. The "Rental Tax Terms and Phrases" section beginning on page two provides the definition of a *motor vehicle* and a *daily rental vehicle*.

Gross proceeds for each month are calculated by determining the total amount of charges on all rental agreements, net of the rental tax. The only adjustments permitted in the computation are as follows:

(a) proceeds from transactions which are exempt from the rental taxes may be deducted from the gross proceeds (see Question 6);

(b) bad debt accounts on rental transactions (if such accounts have been charged off as worthless for federal income tax purposes) may be deducted from the gross proceeds. Any recovery of payment for bad debts previously charged off must be included as gross proceeds in the month for which the recovery payment is received.

22. **Question:** Who is responsible for the rental tax on gross proceeds?
- Answer:** The rental tax, based on total gross proceeds for the month, must be remitted by the rentor. The tax must be separately stated as a tax and added to the rental price on each rental agreement. The rental tax is a debt from the rental customer to the rentor until paid, and is recoverable in the same manner as other debts.
23. **Question:** Is income or are credits received as a result of motor vehicle rental reimbursements from warranty or policy claims taxable as gross proceeds?
- Answer:** Yes. All income and credits received from the rental of a motor vehicle should be reported as gross proceeds in the month the credit was issued or the income was received. Income or credit received directly from the temporary use of a rental motor vehicle as a loaner vehicle, or for any other purpose, is considered gross proceeds.
24. **Question:** How often do returns need to be filed with DMV?
- Answer:** Rentors must file rental tax returns and additional tax supplements each month. All tax returns and payments must be postmarked by the 20th day of the month following the month in which the gross proceeds from such rental were due. If returns are received after the 20th, the official cancellation mark of the United States Postal Service or other postal or delivery service is used to determine timeliness.
- Note: When the 20th day of the month falls on a weekend or holiday, the following business day will be considered the due date.
25. **Question:** If there are no (\$0) gross proceeds to report, is a monthly rental tax report still required?
- Answer:** Yes. A monthly rental report is due, by the 20th day of each month, even if there are zero gross proceeds. However, if no activity (gross proceeds) is reported, the Commissioner may request the rentor to supply justification as to why the rentor should be permitted to retain the Certificate of Registration and any rental license plates which are not generating gross proceeds.
26. **Question:** Do businesses with multiple locations need to file multiple returns?
- Answer:** No. Rentors having more than one place of business in Virginia may file a consolidated return for all places of business. The return must state the gross proceeds from **each** place of business. Be sure that the correct location code is indicated for **each** location to ensure accurate disbursement of the additional 4% rental tax to the proper locality.
27. **Question:** How do I file a return and pay the rental taxes?

Answer: Payment of the tax due, as computed on the return, must accompany a timely filed return. Failure to include payment with the return will cause the tax to become delinquent.

Tax returns and payments should be mailed to DMV (see address in Question 10) or may be taken to any local DMV Customer Service Center. Please remember that tax returns and payments (for gross proceeds received the previous month) must be postmarked by the 20th day of each month.

Note: When the 20th day of the month falls on a weekend or holiday, the following business day will be considered the due date.

If any check for the payment of taxes or fees is returned unpaid to the Department of Motor Vehicles because of insufficient funds, or any other reason, a penalty fee of \$25.00 or 10% of the check amount, whichever is greater, will be imposed.

28. **Question:** What are the penalties and interest for late filing?

Answer: Rentors who fail to file a return and pay the rental taxes when due are subject to a penalty of 10% of the taxes due, or \$10.00, whichever is greater. Returns filed late with no rental taxes due will be subject to the minimum penalty of \$10.00.

Interest of 1 1/2% per month will be added to any rental taxes not paid when due, and to any penalties assessed, until such overdue taxes and penalties have been paid in full.

If you are late filing your return more than once in a twelve month period you may be required to submit a surety bond or other form of surety. The amount of bond or other surety shall be determined upon investigation by the Commissioner, and shall be approximately 3 times the anticipated average monthly tax due by the rentor in the next succeeding 3 months. In no case can the bond be less than \$500 or more than \$20,000.

29. **Question:** What other penalties could I be subject to?

Answer: Rentors who are found to have filed a false or fraudulent return, or to have willfully intended to defraud the Commonwealth of any tax due under the "Virginia Motor Vehicle Sales and Use Tax Act", are subject to a penalty of 50% of the amount of the proper tax due.

It shall be prima facie evidence of intent to defraud the Commonwealth of any tax due when any person reports gross proceeds from the rental of a motor vehicle at 50% or less of the actual amount (§58.1-2411).

30. **Question:** Can I collect penalties and interest from my customers?

Answer: All penalties and interest are to be paid by the rentor and collected by the Commissioner in the same manner as if they were part of the taxes. The rentor may not collect such penalties or interest from customers.

31. **Question:** What recourse do I have regarding penalties assessed?

Answer: Applications for waiver of penalties must be made in writing to the Commissioner who may, for good cause shown, waive all or part of the penalties. Interest is not waivable.

32. **Question:** What happens if taxes are erroneously submitted?

Answer: If it appears, to the satisfaction of the Commissioner, that all or part of the rental tax has been erroneously or improperly collected from or charged to any person, and the tax has been forwarded to the Department, a refund will be paid to the rentor by the State Treasurer, after the rentor acknowledges that such taxes will be refunded to the person who was overcharged.

Refund requests must be in the form of a written statement filed with the Commissioner setting forth the reason for the refund. The request must be filed within three years of the date of the payment of the tax.

Rental Records Maintenance and Preservation

33. **Question:** What records must be maintained?

Answer: Every rentor is required to maintain and preserve adequate and complete records on each rental motor vehicle as are necessary to complete their rental tax returns and to determine the amount of tax for which the rentor is liable.

The following is a list of records which must be maintained:

(a) A daily record of all cash and credit rentals by place of business, including rentals under any type of financing or installment plan in use, with notations of which rentals involved daily rental vehicles, and transactions for warranty, policy claims, or similar plans. In addition, it may be advisable to document all temporary use and utility mileage.

(b) A copy of all rental agreements, including voided agreements, agreements which were internally billed, and warranty or policy claim reimbursement agreements. Rental agreements should be pre-printed and include:

- 1) sequential numbers (pre-printed)
- 2) vehicle description
- 3) vehicle license plate number
- 4) odometer readings (in and out)
- 5) date (in and out)

A rental agreement is required for every rental of the vehicle.

(c) A record of all documentation for any exemptions or adjustments claimed against the rental taxes.

34. **Question:** How long do records have to be maintained?

Answer: Records must be retained for a period of three (3) years.

If an assessment has been made and an appeal to the Commissioner, or to the courts, is pending, the rentor must preserve all books, records, and reproductions specified above relating to the period covered by the assessment until the final disposition of the appeal.

Audits

35. **Question:** What can rentors expect when audited?

Answer: The Department of Motor Vehicles conducts audits to ensure rentors' compliance with rental tax statutes, regulations, and guidelines.

When an audit is conducted, the rentor can expect to be treated fairly and have the law administered uniformly. In addition, the rentor will receive an explanation of the procedures or methods used in conducting the audit and be informed of the audit results in a timely manner.

36. **Question:** How often are rentors audited?

Answer: A rentor's records are required to be open for inspection and examination by the Commissioner, or his duly authorized agents, at all reasonable hours of the business day.

All rentors are subject to be audited at any time.